

# Government Accounting

- Purpose
  - Process Data and execute transactions
  - Track Expenditure of Appropriated Funds
  - Provide Management Information

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# Government Accounting

- Structure
  - Data Processing - Centrally controlled DoD system managed by DFAS
  - Tracking Expenditure of Appropriated Funds – Decentralized
  - Management Information – Ad Hoc primarily related to funds tracking

# Government Accounting

- Governing Regulatory Requirements
  - Commercial Industry
    - Financial Standards Accounting Board (GAAP)
    - Internal Revenue Service - Tax Accounting
    - DoD - Cost Accounting Standards
  - Government Accounting
    - Appropriation Law and Regulation

# Government Accounting

DoD Directive 5000.1b

g. Management Control

.... “**In implementing internal management control systems, managers shall focus on results, not process**”

# Government Accounting

- Intent EVM Accounting Criteria :
  - Record costs consistent with established budgets
  - Insure control of indirect costs
  - Insure disciplined accumulation of cost
  - Insure proper material accounting and performance application

# Government Accounting

## Issues:

- 1 Is the capability of the Government accounting system compatible with EVM Accounting criteria?
- 2 What specific accounting functions are necessary to provide management data?
- 3 How can Government facilities acquire the necessary accounting capability?
- 4 Who should be responsible for acquiring accounting capability?
- 5 Identify applicable accounting initiatives currently under way

# Government Accounting

## Summary of Issues:

- 1 Is the capability of the Government accounting system compatible with EVM Accounting criteria?

Yes, this team believed that Government accounting systems are compatible with meeting EVM criteria.

- 2 What specific accounting functions are necessary to provide management data?

A cost charging system that collects by budget element

Historical data storage system that can be accessed for periodic reporting

# Government Accounting

## Summary of Issues:

3 How can Government facilities acquire the necessary accounting capability?

- By working with the applicable personnel within a facility this capability can be developed, or
- Off line systems can be developed as a last resort

4 Who should be responsible for acquiring accounting capability?

Facility managers, comptrollers, information systems, and program managers must work together to develop this capability